

AMENDED IN ASSEMBLY APRIL 6, 2015

AMENDED IN ASSEMBLY MARCH 17, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## Assembly Concurrent Resolution

No. 39

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### Introduced by Assembly Member Dababneh

*(Coauthors: Assembly Members Achadjian, Alejo, Travis Allen, Atkins, Baker, Bigelow, Bloom, Bonilla, Bonta, Brough, Brown, Burke, Calderon, Campos, Chang, Chau, Chávez, Chiu, Chu, Cooley, Cooper, Dahle, Daly, Dodd, Eggman, Frazier, Beth Gaines, Gallagher, Cristina Garcia, Eduardo Garcia, Gatto, Gipson, Gonzalez, Gordon, Gray, Grove, Hadley, Harper, Holden, Irwin, Jones, Jones-Sawyer, Kim, Lackey, Levine, Linder, Lopez, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Melendez, Mullin, Nazarian, Obernolte, O'Donnell, Olsen, Patterson, Perea, Quirk, Rendon, Ridley-Thomas, Rodriguez, Salas, Santiago, Steinorth, Mark Stone, Thurmond, Ting, Wagner, Waldron, Weber, Wilk, Williams, and Wood)*

February 27, 2015

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Assembly Concurrent Resolution No. 39—Relative to Financial Aid and Literacy Month.

#### LEGISLATIVE COUNSEL'S DIGEST

ACR 39, as amended, Dababneh. Financial Aid and Literacy Month.

This measure would declare the month of April 2015 as Financial Aid and Literacy Month, with the theme of “Prosperity Through Education,” to raise public awareness about the continuing need for increased financial literacy.

Fiscal committee: no.

1 WHEREAS, The President’s Advisory Council on Financial  
2 Capability urges the integration of personal finance into the  
3 teaching of math and English language arts common core academic  
4 content standards for K–12 education as well as other subjects;  
5 and

6 WHEREAS, California law requires that financial education,  
7 including budgeting, managing credit, student loans, consumer  
8 debt, and identity theft security, is included in the next revision of  
9 the social sciences, health, and mathematics curricula; and

10 WHEREAS, In Junior Achievement’s 2014 Teens and Personal  
11 Finance Survey, 77 percent of male teens and 63 percent of female  
12 teens 16 to 18 years of age said they do not keep track of their  
13 money; and

14 WHEREAS, Eighty-five percent of American parents believe  
15 that financial education courses should be a requirement for high  
16 school graduation and 52 percent of teenagers want to learn more  
17 about budgeting, saving, and investing; and

18 WHEREAS, According to a poll by Northeastern University’s  
19 Innovation Imperative Initiative, more than 80 percent of students  
20 16 to 19 years of age believe obtaining a college degree is  
21 important to having a career, but 67 percent are worried they will  
22 not be able to afford college; and

23 WHEREAS, In Sallie Mae’s “How America Saves for College  
24 2014,” the proportion of families saving for college declined during  
25 the recession from 62 percent in 2009 to 50 percent in 2013; and

26 WHEREAS, The total average savings for higher education is  
27 \$15,346, which is up from \$11,781 in 2014; and

28 WHEREAS, In 2014, student loan debt soared by more than 11  
29 percent; and

30 WHEREAS, When it comes to where families put money, more  
31 parents use a general savings account (45 percent in 2014,  
32 compared with 42 percent in 2013) than any other method of  
33 saving, ahead of a 529 plan (29 percent in 2014, compared with  
34 27 percent in 2013) and a checking account (24 percent in 2014,  
35 compared with 27 percent in 2013); and

36 WHEREAS, Only 40 percent of adults keep a budget and track  
37 their spending, 75 percent of American families say they live  
38 paycheck to paycheck, and more than 25 percent of American  
39 families have no savings at all; and

1 WHEREAS, Statistics compiled by LearnVest and Chase  
2 Blueprint show that for Americans 45 to 54 years of age, the  
3 median saved for retirement is only \$101,000, and 38 percent of  
4 adults are concerned about being able to retire on time; and

5 WHEREAS, Only 5 percent of adults say they were taught about  
6 money by a teacher, and 40 percent would give themselves Cs,  
7 Ds, or Fs on their grasp of personal finance concepts; and

8 WHEREAS, Twenty-five percent of adults do not think any  
9 amount of debt is manageable, and 45 percent said that they could  
10 only handle debt payments of \$100 a month; and

11 WHEREAS, Nearly 67 percent of adults are concerned about  
12 being able to get a job, 60 percent expressed concern about having  
13 enough money as adults, and nearly 33 percent said college costs  
14 are “not worth it” and that the “costs will outweigh the benefits”;  
15 and

16 WHEREAS, According to the Federal Reserve, the total United  
17 States outstanding consumer debt, including car and student loans  
18 as well as revolving debt, was \$3.24 trillion as of July 2014; and

19 WHEREAS, Collectively, American consumers owe \$11.52  
20 trillion to lenders and creditors and the debt burden is continuing  
21 to increase; and

22 WHEREAS, According to CreditCards.com, the average credit  
23 card debt per American adult, excluding zero-balance cards and  
24 store cards, is \$4,878.43; and

25 WHEREAS, The average interest rate paid on credit card  
26 balances is over 13 percent annual percentage rate (APR); and

27 WHEREAS, Children as young as five years old have shown  
28 an increase in depression and anxiety stemming from their parents’  
29 unemployment and financial problems; and

30 WHEREAS, Children whose families endured financial  
31 hardships during the children’s adolescence became parents earlier  
32 than their peers and also treated their children more harshly; and

33 WHEREAS, According to T. Rowe Price’s 2014 Parents, Kids  
34 & Money Survey, 69 percent of parents are “very/extremely”  
35 concerned about setting a good financial example for their kids,  
36 but 74 percent admit they are reluctant to approach the topic  
37 because they do not want their kids to worry; and

38 WHEREAS, The State of California established the Bank on  
39 California Program to raise awareness among unbanked consumers

1 about the benefits of account ownership and to spur Californians  
2 to open accounts; and

3 WHEREAS, The Bank on California Program makes quality  
4 money management education more easily available to low-income  
5 Californians and raises statewide awareness of the unbanked  
6 problem and potential solutions; and

7 WHEREAS, An estimated 7.8 percent of Californians are  
8 unbanked and an additional 18 percent are considered underbanked;  
9 and

10 WHEREAS, The average unbanked Californian pays \$1,000 a  
11 year to cash paychecks; and

12 WHEREAS, Californians with bank accounts are more likely  
13 to save, have higher credit scores, and get better-priced car and  
14 home loans; and

15 WHEREAS, Many employers, government agencies, schools,  
16 service groups, community organizations, libraries, financial  
17 institutions, and nonprofit entities, including, but not limited to,  
18 FDIC: Money Smart, the Consumer Financial Protection Bureau's  
19 Office of Financial Empowerment, the California Jump\$tart  
20 Coalition, the CalCPA Financial Literacy Committee, the New  
21 America Foundation, SparkPoint Centers, America Saves, the  
22 United Way Financial Literacy Program, Junior Achievement  
23 Finance Park, and the Girl Scouts of America, have created  
24 programs to help people improve their financial literacy skills; and

25 WHEREAS, Resolutions similar to this resolution have been  
26 introduced and passed with strong bipartisan support to increase  
27 awareness of the need for financial literacy for California citizens;  
28 now, therefore, be it

29 *Resolved by the Assembly of the State of California, the Senate*  
30 *thereof concurring*, That the Legislature hereby declares the month  
31 of April 2015 as Financial Aid and Literacy Month, with the theme  
32 of "Prosperity Through Education," to raise public awareness about  
33 the continuing need for increased financial literacy; and be it further

34 *Resolved*, That legislators, employers, government agencies,  
35 schools, service groups, community organizations, libraries,  
36 financial institutions, and other nonprofit entities should be  
37 encouraged to provide all Californians with the opportunity to  
38 obtain or improve their financial literacy skills; and be it further

- 1     *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 2     of this resolution to the author for appropriate distribution.

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